

Indiana Long Term Care Insurance Program

Quarter 3 2012 Report

July 1, 2012 thru September 30, 2012



QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 3 2012	TO DATE
Applications Received:	975	64,685
Applications Denied:	139	10,230
Applications Pending & Withdrawn:	N/A	783
Policies Purchased:	251	53,074
Policies Dropped (voluntarily & for unknown reasons*):	47	6,699
Policies Not Taken Up: (dropped within 30 day free look period)	19	2,632
Total Policies In Force (active):	N/A	41,228
Policyholders Who Received Service Payments:	449	1,415

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: July 1, 2012 – September 30, 2012

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending September 30, 2012, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 251.**
- **Cumulatively, 64,685 applications have been submitted with over 53,074 policies purchased.**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 100.00% of all policies purchased in Q3'12 were comprehensive while 0.00% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 91.02 % of all sales in (Q3'11) to 92.76% of all sales in (Q3'12).**
- **63% of policies purchased during Q3'12 qualify for Total Asset Protection. Cumulatively, 78.39% of all policies purchased qualify for Total Asset Protection.**
- **97.31% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.6. Age range of purchasers is 18 to 89.**
- **Cumulatively, 75% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending September 30, 2012
In Comparison To Cumulative Program Statistics**

	Quarter ending 9-30-2012	Cumulative as of 9-30-2012
Total Policies Purchased	251	53,074
Total Policies Dropped *	<u>115</u>	<u>11,708</u>
	Died 48 (41.74%)	Died 2,153 (18.39%)
	Voluntarily 22 (19.13%)	Voluntarily 2,879 (24.59%)
	Unknown 25 (21.74%)	Unknown 3,820 (32.63%)
	Not Taken Up 19 (16.52%)	Not Taken Up 2,632 (22.48%)
	Converted 0 (0.00%)	Converted 79 (0.67%)
	Exhausted Benefits 1 (0.87%)	Exhausted Benefits 95 (0.81%)
	Rescission 0 (0.00%)	Rescission 2 (0.02%)
	Non-Forfeiture 0 (0.00%)	Non-Forfeiture 48 (0.41%)
Policies in Force	N/A	41,228

**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	297 (100.00%)	37,775 (92.80%)
Nursing Home Only Policies	0 (0.00%)	2,936 (7.21%)
First Time Purchasers	289 (97.31%)	38,596 (94.80%)
Upgrades or Replacements	8 (2.69%)	1,738 (4.27%)
Individual	281 (94.61%)	38,691 (95.04%)
Group Certificates	0 (0.00%)	264 (0.65%)
Organization Sponsored	16 (5.39%)	1,755 (4.31%)
Male	128 (43.10%)	17,603 (43.24%)
Female	169 (56.90%)	23,108 (56.76%)
Married	259 (87.21%)	33,456 (82.18%)
Not Married	38 (12.79%)	7,406 (18.19%)
Unknown	0 (0.00%)	351 (0.86%)
Civil Union or Domestic Partner	0 (0.00%)	19 (0.05%)

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 3, 2012

PARTICIPATING COMPANIES:

Allianz – Individual	MedAmerica – Individual & Group: Tax Qualified
American Republic – Individual: Tax Qualified	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
Central States of Omaha – Individual: Tax Qualified	Mutual of Omaha
CNA –Individual/Group: Tax Qualified	Penn Treaty Network America - Individual
Continental General	Prudential Ins. Co. of America – Tax Qualified
CUNA Mutual	Senor Health Ins. Co. of PA – Tax Qualified
Genworth – Individual: Tax Qualified	State Farm – Individual – Tax Qualified
Hartford Life – Individual: Tax Qualified	TransAmerica – Individual – Tax Qualified
John Hancock – Individual: Tax Qualified	The Travelers
Massachusetts Mutual Insurance Company	United Teaches Associates Ins. Company

22 Companies provided data during Quarter 3, 2012

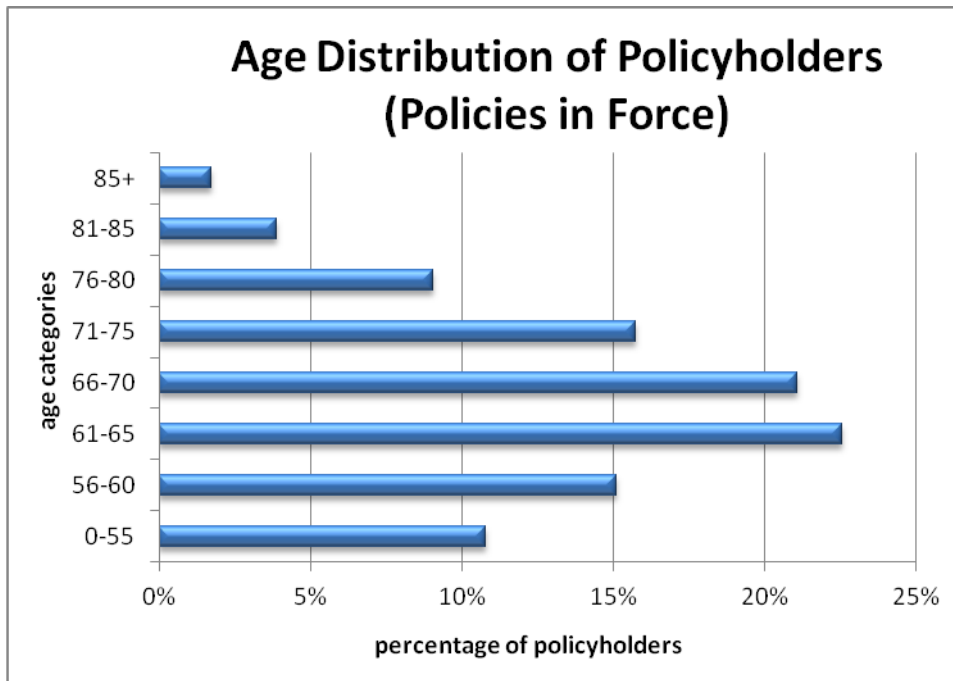
Age Distribution of Partnership Policyholders at Time of Purchase

Age Range Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.00
Group Certificate holders	23	75	50.50
Organization Sponsored	20	84	57.17
All Insured	18	89	60.60

Age Distribution of Policyholders (Policies in Force)

Age Category	Percentage of Policyholders
86+	2.90%
81-85	6.02%
76-80	11.86%
71-75	17.56%
66-70	22.02%
61-65	21.02%
56-60	11.51%
0-55	8.70%



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$146.39

Mode: \$150.00 (10% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$136.75

Mode: \$150.00 (9% of all purchasers)

Elimination Periods (Policies in Force):**Nursing Homes:**

0 days	1,448 (3.51%)
9 days	1 (<0.001%)
15 days	43 (0.10%)
20 days	1,047 (2.54%)
30 days	5,302 (12.86%)
45 days	639 (1.55%)
50 days	1,660 (4.03%)
60 days	1,311 (3.18%)
90 days	18,370 (44.56%)
100 days	9,719 (23.57%)
120 days	2 (0.005%)
180 days	945 (2.29%)
365 days	2 (<0.001%)

Home and Community Care:

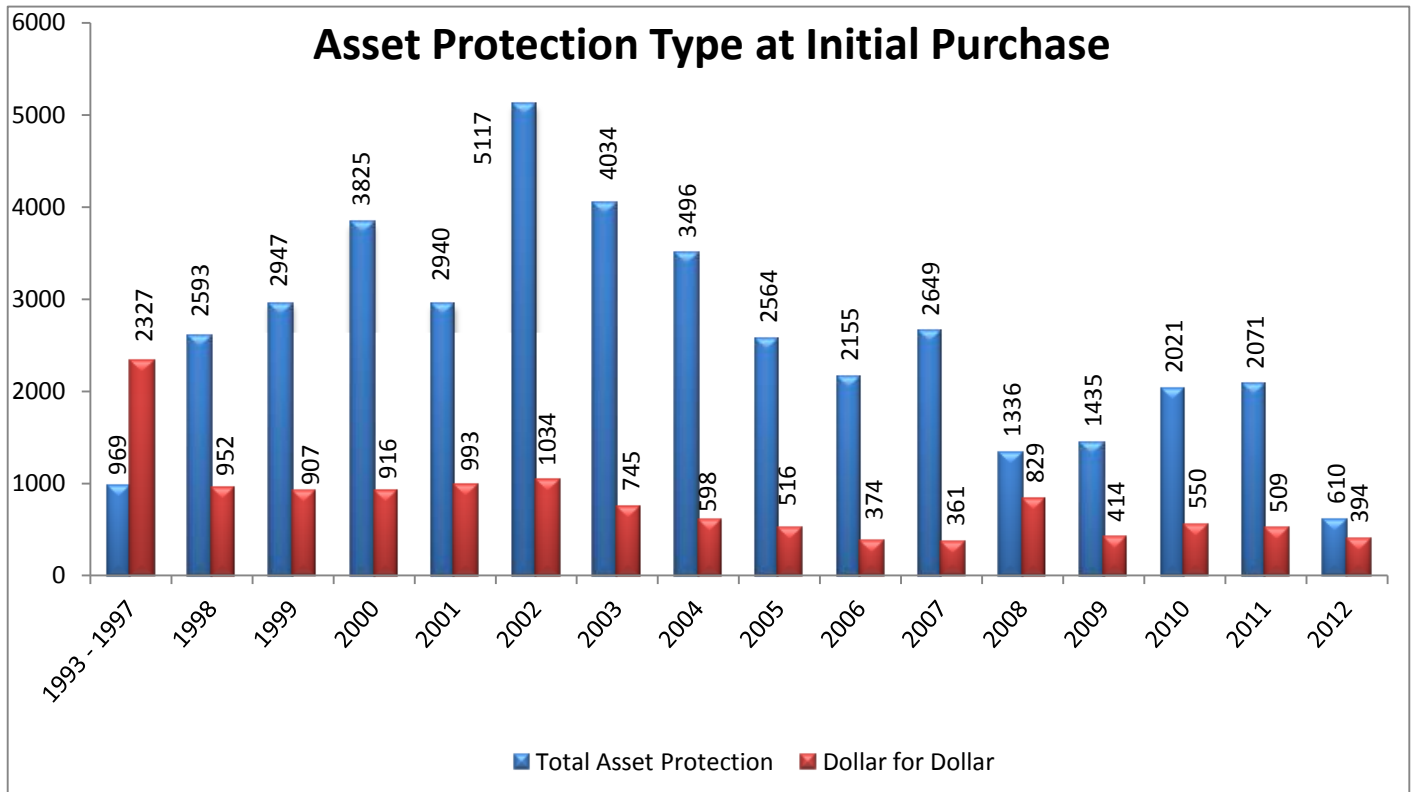
0 days	15,424 (37.41%)
10 days	5 (<0.001%)
14 days	173 (0.42%)
15 days	29 (0.07%)
20 days	883 (2.14%)
30 days	4,214 (10.22%)
45 days	634 (1.54%)
50 days	24 (0.06%)
60 days	1,017 (2.47%)
90 days	11,476 (27.84%)
100 days	3,713 (9.00%)
180 days	747 (1.81%)
365 days	2 (>0.001%)

Riders:

Non-Forfeiture	177	(0.43%)
Restoration of Benefits	516	(1.25%)
Spousal Benefit Enhancement	932	(2.26%)
Other Riders	1,424	(3.45%)

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 3 2012	Cumulative at Time of Purchase
Policies Purchased by Quarter	251
Policies Purchased by Cumulative	53,144
Total Asset Protection by Quarter	157
Total Asset Protection by Cumulative	41,418
Dollar for Dollar by Quarter	94
Dollar for Dollar by Cumulative	11,930



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

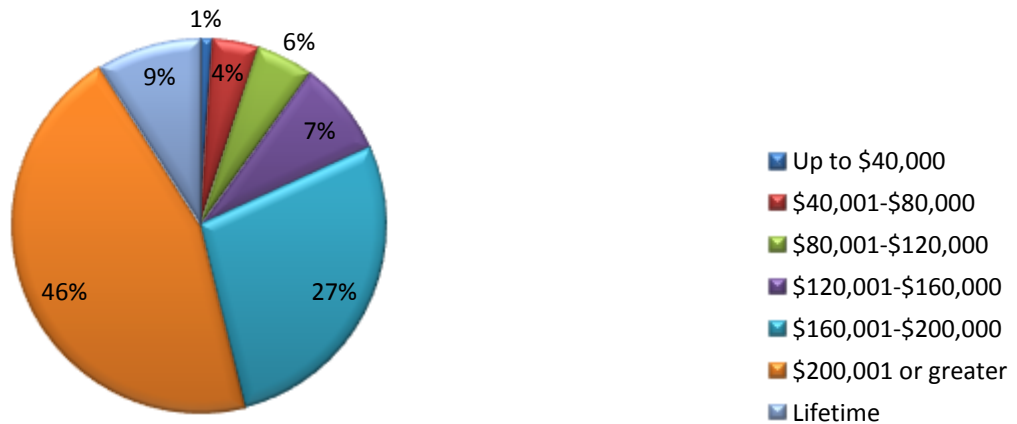
Maximum Policy Amount of Policies in Force:

Range: \$22,050 - \$4,516,875 (plus 3,862 lifetime policies)

Average amount: \$207,929 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000 <small>Approx: (1 yr)</small>	323 (0.78%)
\$40,001 - \$80,000 <small>(2 yrs)</small>	1,453 (3.52%)
\$80,001 - \$120,000 <small>(3 yrs)</small>	2,254 (5.49%)
\$120,001 - \$160,000 <small>(4 yrs)</small>	3,146 (7.63%)
\$160,001 - \$200,000 <small>(5 yrs)</small>	10,934 (26.52%)
\$200,001 or greater <small>(6 yrs +)</small> (excluding lifetime)	19,260 (46.72%)
Lifetime Policies	3,862 (9.37%)



Policyholders in Benefit Information as of September 30, 2012

Benefit Status

Number of policyholders, to date, who have received benefit payments.	1,415
Number of policyholders in benefit as of Quarter 3, 2012.	442
Number of policyholders that received benefits and have died.	515
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	48 (96 Exhausted)

Asset protection earned by policyholders to date.	\$84,078,180
Asset protection earned to date that will not be accessed (policyholders who have died)	\$24,743,153

Service Utilization

Type of Service* (other than case management)	QTY	% of Total Claimants by Type of Service **
Nursing Home Care	1,026	712.30%
Home Health Aide – hourly care	136	9.61%
Home Health Aide – daily care	196	13.85%
Attendant Care	10	0.71%
Other Institutional	0	0%
Hospital Bed Hold	231	16.33%
Assisted Living	328	23.18%
Adult Day Care	31	2.20%
Personal Care	80	5.65%
Alternate Level of Care	7	0.49%

*These categories are not mutually exclusive; therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

CLAIMANT PROFILE
Cumulative Aggregate of All Policyholders Who Used Benefits
As of September 30, 2012

Gender	Female	65.45%
	Male	34.55%
Marital Status	Not Married	37.64%
	Married	65.04%
	Unknown	4.19%
Average Age At The Time Of Policy Purchase		71
Average Age At The Time Of Claim		79
Age Range At Time Of Claim	Range =	44 – 100
	Mean =	79.8
	Median =	80.2
Policy Type Owned:	Nursing Home Only	26.68%
	Nursing Home & Home Care	78.28%

Average time elapsed between purchase date and claim date was 114 months (9.5 years)